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## TAX HELP DUE FIRMS AIDIN IN CUBA SWAP

Internal Revenue Service Expedites Ruling On Donations

Castro lifts ban on food, clothing shipments to prisoners. Page 8

Washington, Dec. 19 (P-The Inernal Revenue Service ruled toight that any person or any firm hat donates medicine or food in he Cuban prisoner exchange may ist the value as a charify tax leduction.

leduction.

Mortimer M. Canlin, revenue ommissioner, said age special privilege is being granted, but the uling is an interpretation of the aw under which some 40,000 taxpayers get similar deductions each ear.

This means drug manufacturers will be permitted to charge off s25,000 did to taxes for the drugs prepared of shipment to Cuba if ridel t astro, releases the 1961 inasion captives.

It could bring repercussions rom members of Congress who nave said such deductions would n effect be a direct use of Government money to pay ransom.

Red Cross Handles Supplies "It was ruled that contributions would be deductible since they as charitable under the tax law, Caplin said in a statement. In this ill-fated invasion. case the Red Cross is handling the

medicines and food.

Deductibility of contribution would be subject to the percentage limitations provided in the Interna Revenue Code. This is 5 per cen of net income for all charities each year, which would provide con siderable leeway in the case o drug manufacturers, a service spokesman explained.

The contributed goods are val ued at the lowest price at which the goods are regularly sold t the contributors' usual customers That means the drug manufac rers would get deductions a holesale prices.

To preclude double deduction." aplin said, "appropriate account-g adjustments must be thirde to move the cost of goods contribted from costs of goods sold ' in ne project.
"Customarily Expedited"

The commissioner, in commenting on the speed with which his agency acted in ruling on the uban prisoner cache donations.

"On showing of humanitarian or ther pressing reasons rulings re customarily expedited. These ulings were expedited under this tandard and in no other respect

tandard and in no our ere out of the ordinary. Opposition to such relief was spressed earlier in the day by Hickenlooper thurs enator Hickenlooper loval hairman of the Senate Republi an Policy Committee. It said t would be a "direct" said of gov-roment money for the payment f. ransom."

But Schalor Mansfield (Mont.) Democratic leader, predicted that Congress would go along with any Administration move to give tax elief to the drug manufacturer; Earlier in the year, key me

ers of Congress killed a move toling to furnish medicine for the ral Intelligence Agency funds to this is not payment of ransom but pay for medical supplies in the a cooperative gesture on the part of the Government to undertake such ax relief," Mansfield said. nade it clear they would not go "If this country had not been along with the direct use of Fed-in part responsible for the fate of what they called ransom.

Any tax allowance would be an Administrative matter which ortionary would not be reviewed by Congress. But the ransom charges have stirred such a furor in the would be yielding to ransom denesitate to revive them.

States has an obligation to the Castro has demanded \$62,000,000 went to an organization qualifying states has an obligation to the in food and drugs for release of prisoners because it is in part responsible for their plight after the the prisoners. Presumably enough

"If the drug companies are will-the difference.

eral funds for the payment of the prisoners that would put a different aspect on the matter.'

past the Administration might mands tust the same as was proesitate to revive them. posed in the trading of tractors
Mansfield said that the United for prisoners."

food would be offered to make

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